

Message Text

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ORIGIN EB-08

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AGRE-00 CEA-01 CIAE-00 COME-00 DODE-00 FRB-01
H-02 INR-10 INT-05 LAB-04 NSAE-00 NSC-05 PA-02
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FM SECSTATE WASHDC
TO ALSTEEL COLLECTIVE PRIORITY

UNCLAS STATE 178303

E.O. 11652: N/A

TAGS: ETRD, EEC, UK, FR, US

SUBJECT: ANTIDUMPING -- WITHDRAWAL OF PETITION AGAINST
WIRE ROD FROM FRANCE AND THE UNITED KINGDOM

REF: A) STATE 176110 (NOTAL) B) STATE 168714

1. THE TREASURY DEPARTMENT ANNOUNCED ON JULY 14 THE
DECISION OF KORF INDUSTRIES (PARENT OF GEORGETOWN STEEL)
TO WITHDRAW ITS ANTIDUMPING COMPLAINTS CONCERNING WIRE ROD
FROM FRANCE AND THE UNITED KINGDOM. TEXT OF TREASURY PRESS
RELEASE CONTAINED PARA 2 BELOW. WE UNDERSTAND THAT IN
ITS OWN PRESS CONFERENCE TO ANNOUNCE THE WITHDRAWAL KORF
SUGGESTED THAT TREASURY HAD FOUND VERY SUBSTANTIAL DUMPING
MARGINS FOR BOTH BRITISH AND FRENCH PRODUCERS. HOWEVER,
TREASURY HAD NOT ESTABLISHED EITHER THE EXISTENCE OR NON-
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EXISTENCE OF MARGINS BEFORE THE CASE WAS WITHDRAWN.
FIGURES CITED BY KORF WERE THOSE IT HAD ALLEGED IN ITS
PETITIONS. IN A RELATED DEVELOPMENT, THE DAVIS WALKER
CORPORATION HAS REPORTEDLY WITHDRAWN ITS APPEAL OF MAY 25
DISTRICT COURT DECISION UPHOLDING LEGALITY OF TRIGGER
PRICE MECHANISM AS IT PERTAINS TO WIRE ROD IMPORTS (REF B).

2. BEGIN TEXT. THE U.S. TREASURY DEPARTMENT TODAY

ANNOUNCED THAT THE GEORGETOWN STEEL CORPORATION AND GEORGETOWN TEXAS STEEL CORPORATION, DIVISIONS OF KORF INDUSTRIES, HAVE WITHDRAWN THEIR ANTIDUMPING PETITIONS AGAINST CARBON STEEL WIRE ROD IMPORTED FROM FRANCE AND THE UNITED KINGDOM.

THE PETITIONS CONCERNING FRENCH AND BRITISH ROD WERE FILED ON SEPTEMBER 12, 1977 AND OCTOBER 19, 1977, RESPECTIVELY, AND FORMAL ANTIDUMPING PROCEEDINGS WERE INITIATED BY THE TREASURY DEPARTMENT ON OCTOBER 19, 1977 AND DECEMBER 22, 1977.

SUBSEQUENT TO THE INITIATION OF THE INVESTIGATION, A STEEL "TRIGGER PRICE MECHANISM" RECOMMENDED BY AN INTERAGENCY TASK FORCE CHAIRED BY TREASURY UNDER SECRETARY ANTHONY SOLOMON BECAME EFFECTIVE FEBRUARY 21, 1978 TO MONITOR IMPORTS OF STEEL PRODUCTS INCLUDING THOSE COVERED BY THE GEORGETOWN PETITIONS. UNDER THE TPM, THE TREASURY SHOULD BE ABLE TO IDENTIFY CASES OF DUMPING QUICKLY AND TO EXPEDITE ANTIDUMPING PROCEEDINGS.

ON JULY 11, 1978, KORF INDUSTRIES ADDRESSED A LETTER TO ROBERT MUNDHEIM, GENERAL COUNSEL OF THE TREASURY, STATING IN PART "WE UNDERSTAND THAT ... THE TRIGGER PRICE
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MECHANISM, OR TPM, REQUIRES A SUBSTANTIAL ALLOCATION OF MANPOWER AND RESOURCES BY THE TREASURY DEPARTMENT. WE UNDERSTAND FURTHER THAT THE CONTINUATION OF ANTIDUMPING COMPLAINTS BROUGHT BEFORE THE TPM BECAME EFFECTIVE COULD ADVERSELY AFFECT THE ADMINISTRATION OF THE TPM. WE BELIEVE THAT RIGOROUS AND SYSTEMATIC ENFORCEMENT OF THE ANTIDUMPING ACT BY TREASURY PURSUANT TO THE TPM CAN BE A DESIRABLE AND EFFICIENT METHOD OF ASSURING THAT IMPORTED STEEL PRODUCTS WILL BE SOLD IN THE UNITED STATES AT FAIR VALUE."

THE WITHDRAWAL IS WITHOUT PREJUDICE TO THE REINSTITUTION OF ANTIDUMPING PROCEEDINGS BY KORF INDUSTRIES ON THESE PRODUCTS.

IN A REPLY GENERAL COUNSEL MUNDHEIM ACKNOWLEDGED THE BASIS OF KORF'S ACTION AND CONFIRMED THAT IF KORF INDUSTRIES SHOULD REFILE "TREASURY WILL EXPEDITIOUSLY CONCLUDE ITS DISPOSITION OF ANY REFILED COMPLAINTS ON THESE PRODUCTS UTILIZING ALL THE RELEVANT INFORMATION CONTAINED IN ITS FILES, INCLUDING INFORMATION OBTAINED IN UPDATING AND IMPLEMENTING THE TRIGGER PRICE

MECHANISM."

GENERAL COUNSEL MUNDHEIM ALSO STATED IN HIS LETTER

"THE TREASURY DEPARTMENT WILL CONTINUE CAREFULLY TO
MONITOR WIRE ROD UNDER THE TRIGGER PRICE MECHANISM AND
WILL TAKE APPROPRIATE ACTION TO ENSURE THE EFFECTIVE
ENFORCEMENT OF THE ANTIDUMPING ACT WITH RESPECT TO THAT
PRODUCT."

A FORMAL NOTICE TERMINATING THE INVESTIGATION IS BEING
PUBLISHED IN THE FEDERAL REGISTER....
END TEXT CHRISTOPHER

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Message Attributes

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